

Facts on the Tax

(City of Yuma 2% Hospitality Tax)

FACT

- The Hospitality Tax was first approved by voters in the 1970's for 20 years, and re-approved in 1993 for 15 years. The Hospitality Tax "sunsets" (expires) in July 2009.

FACT

- The Hospitality Tax is currently 2% on Hotels, Motels, Restaurants and Bars.

Examples:

- If you have a \$10 meal at a fast food restaurant, you will pay 20 cents (in 2% tax)
- If you have a \$50 meal at a restaurant, you will pay - \$1 (in 2% tax)
- If you have a \$100 hotel night, you will pay - \$2 (in 2% tax)

FACT

- The average split of funds generated between hotel / motel and restaurant / bar has been as follows:
 - 20% generated by hotels / motels
 - 80% generated by restaurants / bars

FACT

- Currently, the Hospitality Tax is utilized to fund the following:
 - **Parks and Recreation**
(Currently limited to the geographic area known as the James P. Deyo Complex which includes: Yuma Civic Center, Ray Kroc Baseball Complex & Desert Sun Stadium, Desert Hills Golf Course and Arroyo Dunes Golf Course. Note: Golf Course's revenues cover operational costs which means these facilities do not depend on 2% tax except for capital improvements and one final debt service payment for Desert Hill's clubhouse of \$230,000)
 - **Heritage Area / Riverfront Development** (Currently limited to the Historic Yuma Crossing Area)
 - **Tourism Promotion**
(Currently through the Yuma Visitors Bureau and Heritage Festivals)

FACT

- The Hospitality Tax funds Parks and Recreation, Heritage Area, and tourism promotion with minimum specific dollar amounts annually. Any additional Hospitality Tax funds can be utilized only for those same three areas in bold type above, in proportions determined by the City Council during budget deliberation.

FACT

- The Hospitality Tax is the only voter approved funding source for Parks and Recreation activities.

FACT

- Currently, about \$4.4 million is collected through the Hospitality Tax. Of that, approximately \$1.8 million goes to the Parks and Recreation Department with the remaining funds going to the Heritage Area and tourism promotion.

FACT

- The Hospitality Tax is generated by non-City residents, tourists, winter visitors and City residents.